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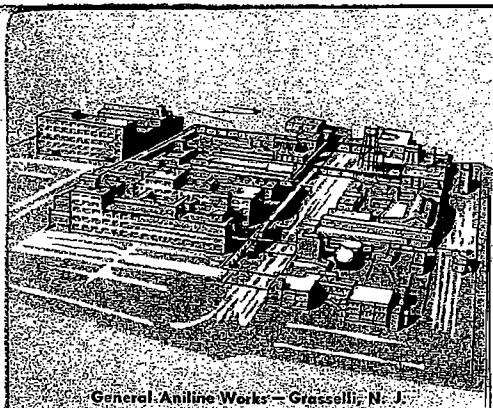
GENERAL ANILINE & FILM CORPORATION

Annual 1948 *Report*

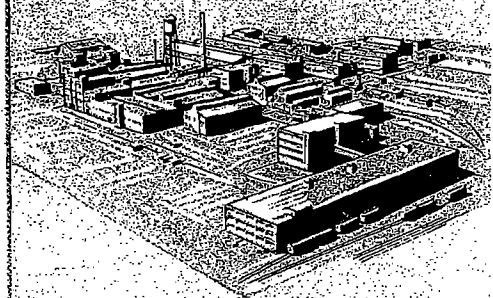


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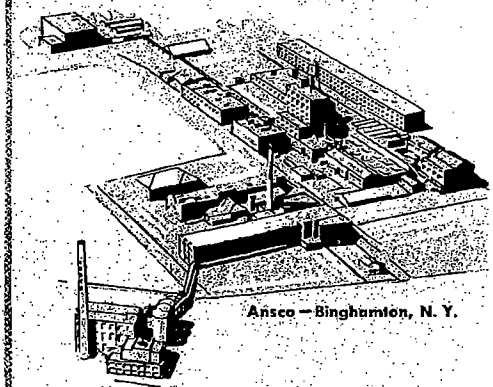
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General Aniline Works — Graceland, N. J.



General Aniline Works — Rensselaer, N. Y.



Ansco — Binghamton, N. Y.



Ozalid — Johnson City, N. Y.

GENERAL ANILINE WORKS DIVISION

DYESTUFFS AND PIGMENTS

(for textiles, paper, leather, furs, rubber, plastics, paints, inks and other materials)

Vat and Algosol
Azo (acid, basic, chrome, direct)
Triphenylmethane (acid, basic)
Alizarine
Heliogen
Naphthol
Fast-color salts and bases
Rapidogen and rapid fast colors
Celliton and Cellitazol
Lake and sulphur colors
Azosol, nigrosine and sudan

DYESTUFF INTERMEDIATES

TEXTILE AUXILIARIES FOR
Wetting and cleansing
Mothproofing and fireproofing
Waterproofing
Dispersing and emulsifying
Leveling and developing
Fixing and stripping
Finishing

MILDEW PREVENTIVES

TANNING AGENTS

ANSCO DIVISION

AMATEUR FILM, BLACK AND WHITE

Roll film
Magazine film
Motion picture film

PROFESSIONAL FILM, BLACK AND WHITE

Portrait film
Graphic arts film
Film packs
Microfilm

COLOR PRODUCTS

Motion picture film
Roll film
Cartridge film
Cut sheet film
Printon
Color paper
Chemicals and sundry items

X-RAY FILM

Industrial
Medical
Dental

PHOTOGRAPHIC PAPER, BLACK AND WHITE

Contact
Projection
Proof
Reflex printing

AMATEUR CAMERAS AND ACCESSORIES

Reflex f 3.5
Titan
Speedex
Rediflex
Flash Clipper
Pioneer
Shur Shot
Panda

PROFESSIONAL CAMERAS AND ACCESSORIES

PHOTOGRAPHIC CHEMICALS

DARKROOM EQUIPMENT AND SUPPLIES

OZALID DIVISION

OZALID MACHINES

Printmaster
Super "B"
Streamliner
Ozacoupler
Microfilm duplicator

OZALID SENSITIZED MATERIALS

Papers, cloths, foils and films in black, blue, red and sepia lines, single or double coated
Plastic coated cloth and paper (Oza-Cloth and Ozalith)
Dryphoto and Ozaplastic papers
Ozachrome films

ANTARA PRODUCTS DIVISION

INDUSTRIAL SURFACE ACTIVE AGENTS

Detergents
Emulsifiers
Wetting Agents
Dispersants

ACETYLENE CHEMICALS

Vinyl Ethers
Polyvinyl Ethers
Butynediol
Dimethyl Chloroacetal

Polectron
Koresin

MISCELLANEOUS PRODUCTS

Carbonyl Iron Powder
Iron Pentacarbonyl
Ultra Violet Absorbers
Orthner Compound
Brighteners
Chat

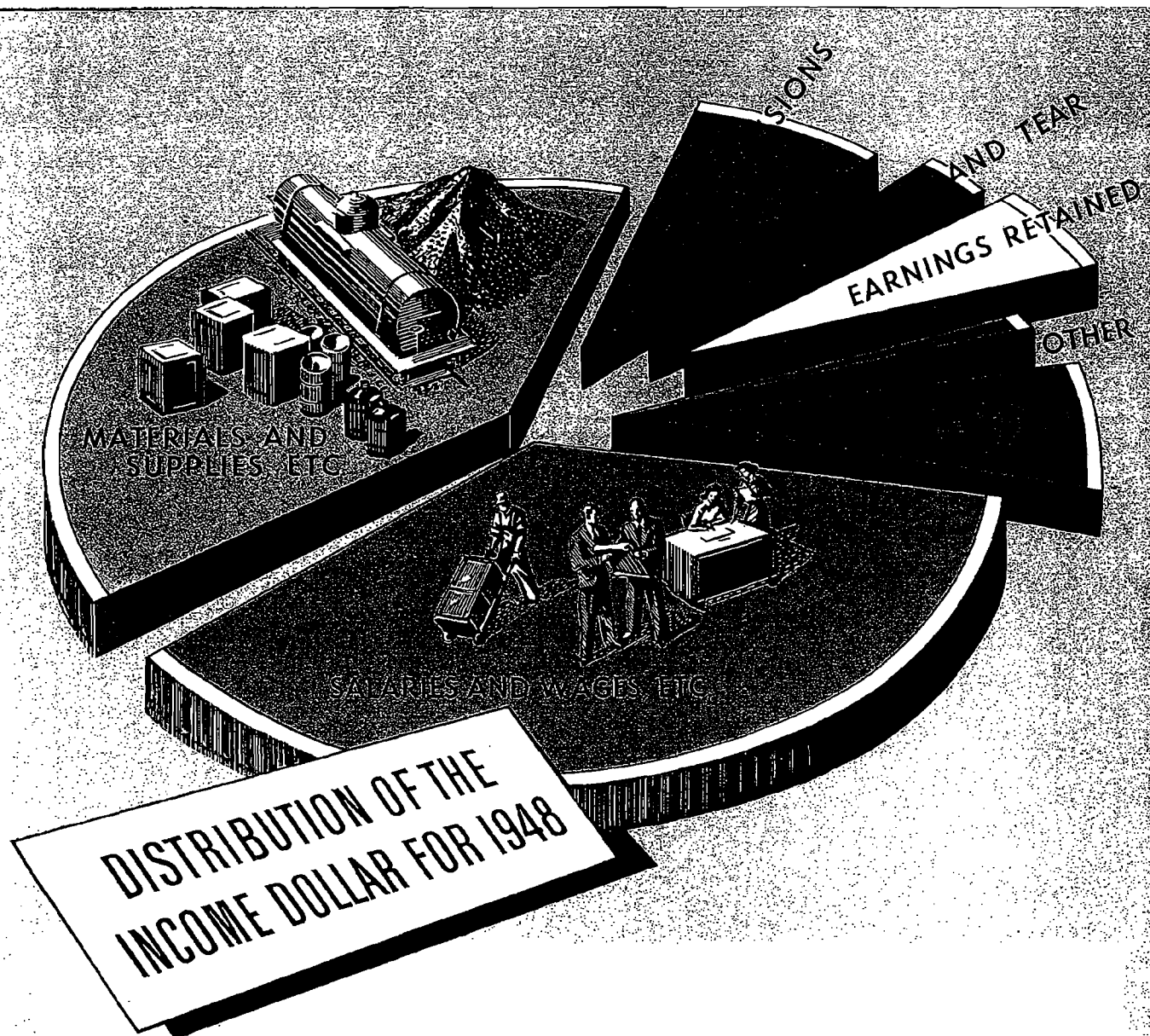
Annual Report

TO STOCKHOLDERS
AND EMPLOYEES
FOR YEAR ENDED
December 31, 1948

GA **GENERAL**
NILINE & FILM CORPORATION . . . 230 Park Avenue, New York 17, N. Y.
From Research to Reality

G287759

G-I_EPA0018837



The Company Received:

		Per Dollar of Income
Value of products sold.....	\$90,838,000	\$1.00
Income and profit on securities	205,000	—
Total Income Received From Above Sources	<u>\$91,043,000</u>	<u>\$1.00</u>

The Company Spent or Set Aside for:

Wages, salaries and cost of employee benefits required in making products sold	\$33,928,000	\$.37
Materials and other costs and expenses required in making products sold	33,354,000	.37
Commissions paid to others on products sold	6,339,000	.07
Wear and tear on buildings, machinery and equipment	2,444,000	.03
Federal, state and local taxes	5,921,000	.06
Other deductions or income—net	452,000	.01

Total Amount Spent or Set Aside.....	<u>\$82,438,000</u>	<u>\$.91</u>
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Earnings Retained in the Business	<u>\$ 8,605,000</u>	<u>\$.09</u>
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(The above classification of expenses is necessarily approximate)

President's Letter

TO STOCKHOLDERS AND EMPLOYEES:

The year 1948 was a period of high activity for the chemical industry. The results of General Aniline & Film Corporation's operations during the year followed the industry's trend and sales and profits of each of the three manufacturing divisions were above 1947 levels. Total sales reached a new high of \$90,837,864, an increase of 21.1% over 1947 and 41.5% over 1946. Net earnings after taxes were \$8,604,919 as compared with \$3,333,250 in the previous year. This represents \$11.74 profit for each share of Common A stock outstanding as compared with \$4.55 in 1947 and \$4.35 in 1946.

Rising prices played an important part in higher sales and profits. The costs of raw materials, supplies, services and transportation were greater than in 1947, although prices of some purchased products were lowered during the latter months of the year. Labor costs also increased.

The efforts to improve over-all operating efficiency, mentioned in last year's report, were continued throughout 1948. As a part of this program a comprehensive reorganization of the Ozalid Division was carried out during the year and substantial economies were effected. Technological improvements in the film and paper plants permitted a substantial increase in Ansco's manufacturing capacity and resulted in an appreciable reduction in product costs.

During 1948 the management continued to plan and work toward improving the supplies of critical basic materials which now must be purchased from outside manufacturers by the General Aniline Works Division. These efforts met with some success. In addition, during the last months of the year, there was a substantial improvement in the market situation. As a result, supplies of most materials are presently adequate.

To date the Company's efforts to improve its vertical integration have been largely directed toward increasing capacity to manufacture dye-

stuff intermediates. The Company has not yet taken any major step toward constructing facilities for manufacturing certain of the essential materials now purchased from outside companies, including, in some cases, competitors. It does not seem feasible at this time to attempt a large scale program in this direction. There are still many improvements to be made to our properties some of which are essential while others appear to offer attractive profit possibilities. However, it must be realized that the Company may operate at some disadvantage during periods when these purchased materials are in short supply.

WORKING CAPITAL

The changes in net current assets during 1948 are shown in the following table:

SOURCE AND APPLICATION OF FUNDS

SOURCE OF FUNDS FROM OPERATIONS:

Net earnings for the year	\$ 8,604,919
Depreciation charged to profit and loss	2,443,516
Total funds provided	<u>\$11,048,435</u>

APPLICATION OF FUNDS:

Additions to plant and equipment less retirements and sales of \$172,909	\$ 7,490,929
Reduction in serial notes outstanding	500,000
Applied to other purposes	220,887
Total funds applied	<u>\$ 8,211,816</u>

Increase in working capital from operations	\$ 2,836,619
Transfer of U. S. Government securities segregated for plant additions in 1947 report	10,000,000
Increase in working capital (excess of funds provided)	<u>\$12,836,619</u>

While \$2,836,619 was added to working capital through the year's operations, the amount of funds required for the higher dollar level of operations increased sharply during the year. The investment in inventories rose \$9,164,217 or 29.7%. A sizable portion of this increase resulted from higher raw material and conversion costs. However, the physical quantity of goods on hand was also increased and stocks of many items which had been held at inadequate levels because of war and postwar shortages were brought into better balance. Despite these increases, the rate of inventory turnover in 1948 was slightly higher than in the prewar years 1939 and 1940.

Because of a shortening of the terms on which some of our products are sold, total receivables at the end of 1948 declined \$1,513,533 or 18.5% from the level at the end of the previous year. Receivables from sales not affected by this change in terms increased \$626,808. The trend toward increased investment in working capital is expected to continue in 1949.

IMPROVEMENTS TO PROPERTY, PLANT AND EQUIPMENT

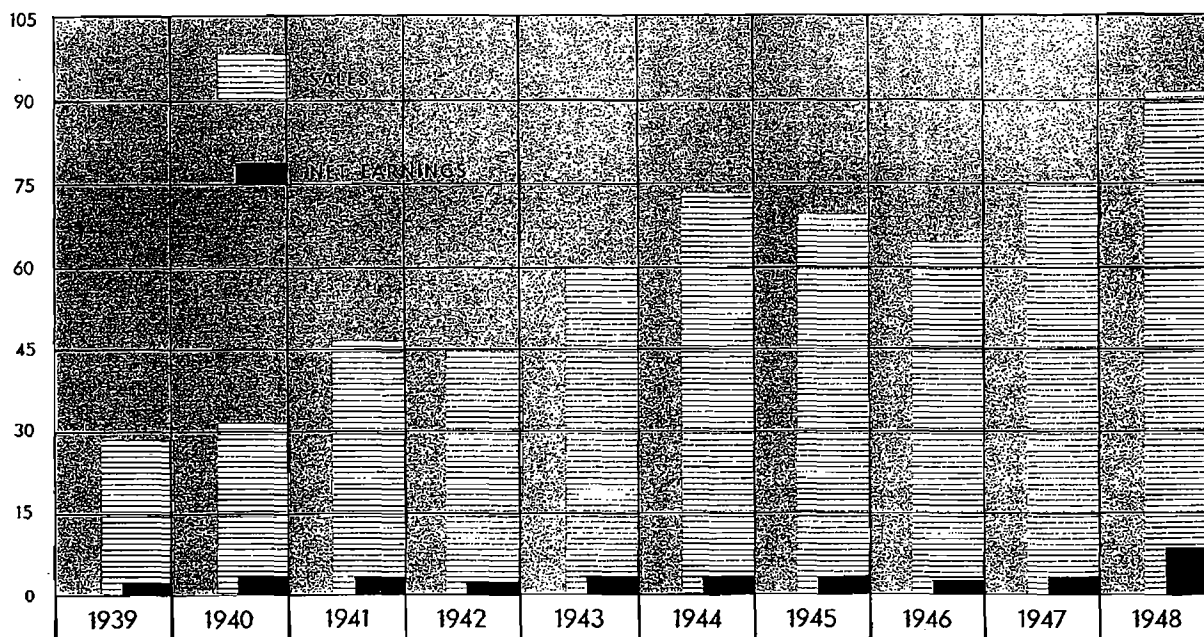
Fixed assets, other than land and land improvements, at the end of 1948 represented a gross investment of \$58,327,282 while the net investment, after the reserve for depreciation, was \$37,537,898. The replacement cost of these assets, as estimated during 1948 for insurance purposes, was more than \$92,000,000 before and \$72,000,000 after depreciation. Additions to plant and equipment during 1948 amounted to \$7,663,838 as compared with \$6,388,214 in 1947. As can be seen from the chart on page 5, this was the largest amount of gross additions in ten years and was more than double the prewar high of 1940. Most of the projects included in the \$20,000,000 improvement program mentioned in the 1947 report will be completed in 1949 or in the early part of next year.

At the Rensselaer, N. Y. plant of the General Aniline Works Division a new building for the production of intermediates is scheduled for

MILLIONS
OF DOLLARS

SALES AND NET EARNINGS

BEFORE PROFIT ON SALE OF SECURITIES



completion early in 1950. Additional steam facilities at this plant were largely completed and placed in partial operation during December. The construction of the addition to a dyestuffs building at the Grasselli, N. J. plant has progressed favorably and it is expected that the new facilities will be placed in operation during the latter half of 1949.

Pilot plant facilities at Grasselli were greatly expanded during the year. Part of this plant is for semi-commercial production of dyestuffs and textile auxiliaries and experimental work on manufacturing processes, while the remainder is for manufacturing and testing various products and processes utilizing acetylene under pressure. The high pressure units constructed for this purpose by the Company's engineers embody techniques for controlling the explosive nature of acetylene which were originally developed in Germany. They are the first units of this kind in the United States. Construction was begun at the Central Research Laboratory at Easton, Penna. of a high pressure laboratory to be used

for further research in this field. Also under construction at this location are facilities for making pre-pilot plant samples of new products for testing by prospective customers.

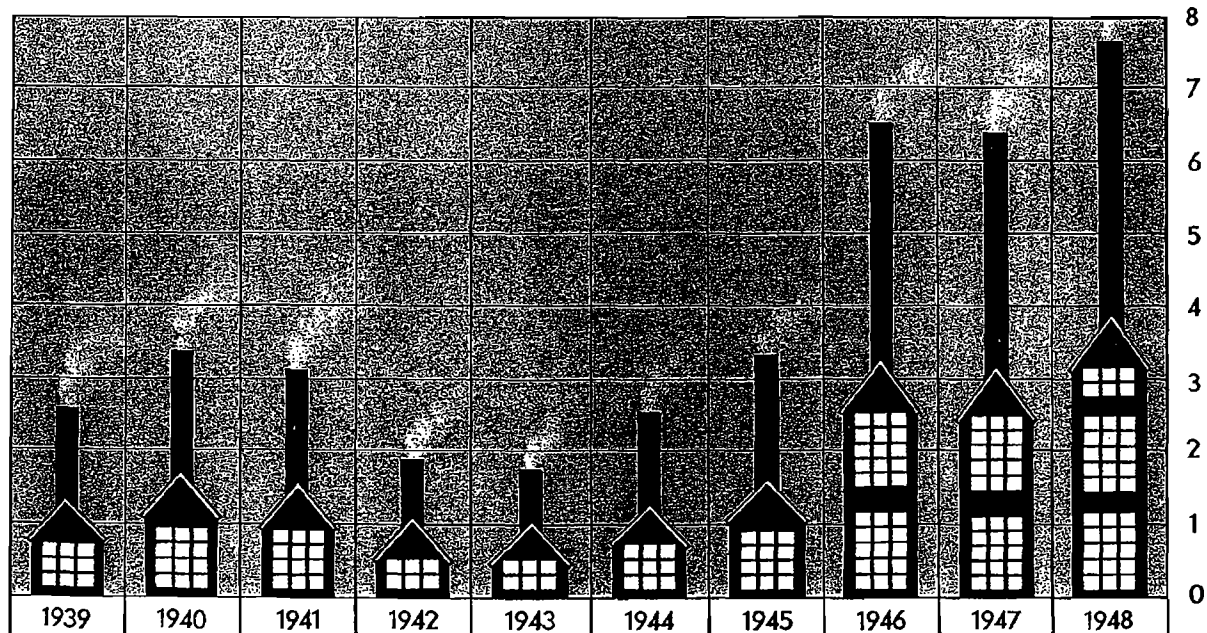
The addition to Ansco's film plant was about three-quarters completed at the year-end and initial installation of equipment had been started. Use of these facilities is scheduled for the latter part of 1949. With the increased capacities available, Ansco plans to enter large scale markets not now covered.

RETAINED EARNINGS AND DIVIDEND POLICY

The carrying out of the improvement and expansion program and the provision of adequate working capital for efficient operations has required the investment of sizable funds by the Company. In 1948 \$16,828,055, or approximately one and a half times the \$11,048,435 of funds provided by the year's operations, were invested in improvements to facilities and increased inventories. Completion of the expansion

ADDITIONS TO PLANT AND EQUIPMENT

MILLIONS OF DOLLARS



program outlined in the 1947 report, as well as investment in additional projects in promising fields, will require substantial additional expenditures.

Of the three principal methods open to most companies for obtaining new funds, i.e. sale of stock, borrowings and reinvested earnings, the first method is not now feasible for General Aniline because of the disputed ownership of a major portion of its outstanding stock. The Company borrowed \$15,500,000 in 1947 and at the end of 1948 it owed a total of \$24,000,000 including \$1,000,000 which must be repaid in 1949. Other than borrowings, the only feasible source of new funds for General Aniline is profit retained in its business.

In view of these factors and since construction and other costs have risen substantially over the past few years, the Board of Directors has considered it prudent and in the long term interest of the stockholders to continue its policy of cash conservation. As a result of this policy no dividend was paid during 1948 and total equity

capital and earnings retained in the business increased from \$64,753,862 at the end of 1947 to \$73,358,706 at the end of 1948.

RESEARCH

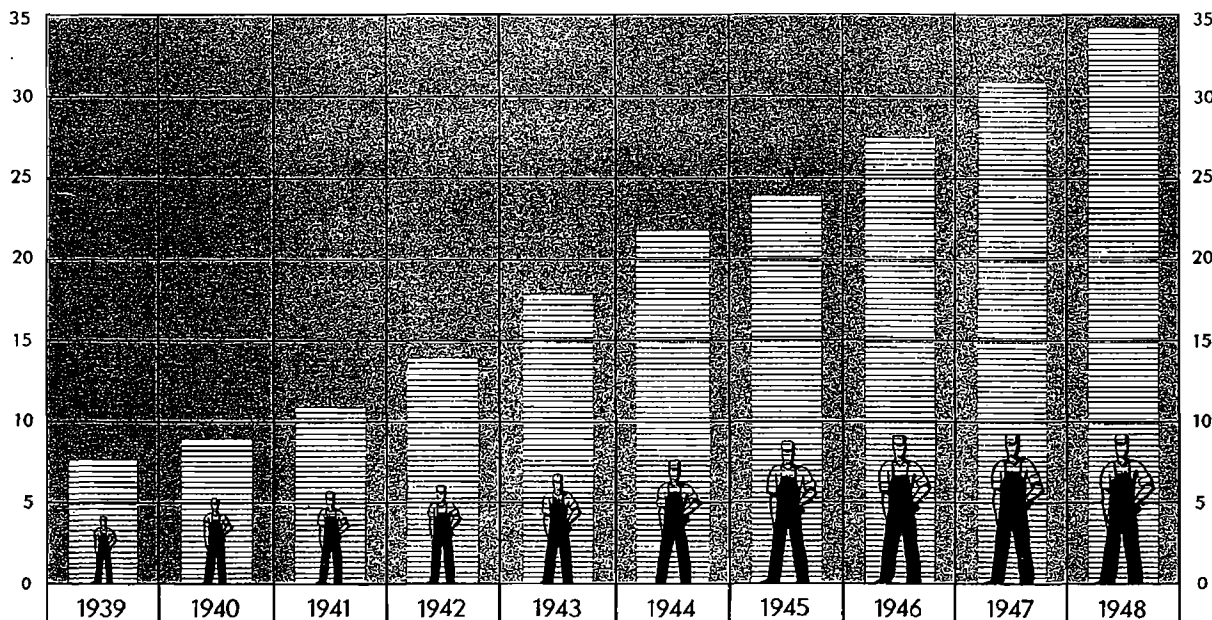
During 1948 our research and development program was continued on approximately the same scale as in the previous year. Expenditures amounted to \$4,696,025 or 5.2% of dollar sales. Continuing established policy, research was directed toward the improvement of products already being manufactured and the development of new products, some of which may lead to new fields believed to have commercial possibilities.

Emphasis was placed during the year upon better coordination between the Central Research Laboratory and the plant laboratories, as well as the process development, sales development, production and sales departments. A chemical engineering section was established within the research department to centralize the study and application of the latest developments in engineering to the manufacture of our products.

MILLIONS
OF DOLLARS

EMPLOYEES AND PAY ROLLS

THOUSANDS
OF EMPLOYEES



IMPROVEMENT IN PRODUCT LINE AND MARKETS

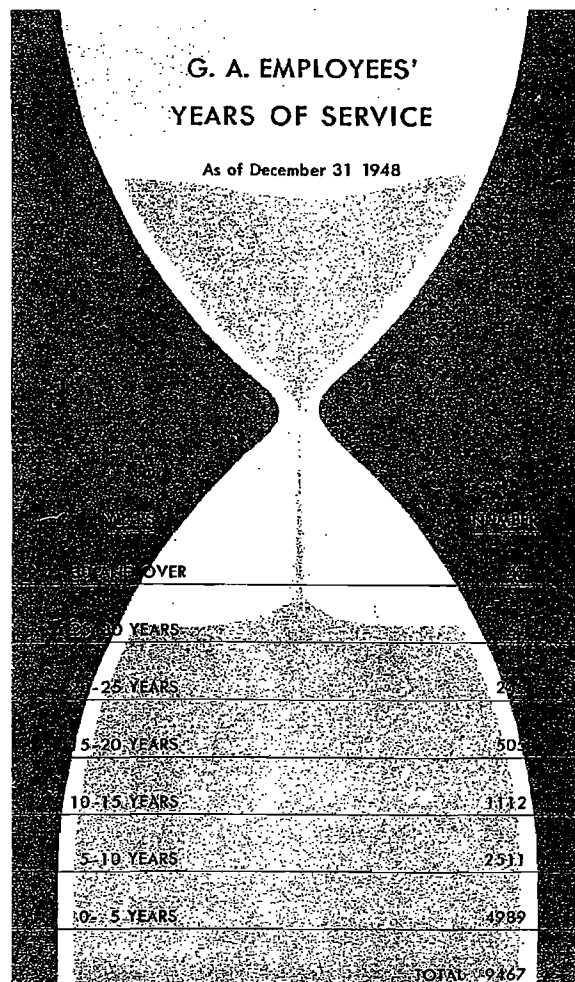
New dyestuffs and intermediates were introduced in 1948 and others were developed and will be offered as soon as manufacturing capacity is available. A series of new brightening agents was introduced to commercial outlets in the textile, paper and soap industries. Market development of new acetylene products continued. Dimethyl chloroacetal was supplied in carload quantities for the manufacture of sulfa drugs. A polymer of vinyl methyl ether found uses in latex and lacquer applications. A copolymer of vinyl methyl ether and maleic anhydride was introduced for sizing and coating paper and textiles. Semi-commercial trials of other new acetylene products are in prospect for 1949. This is made possible by the expanded pilot plant facilities.

During the early part of the year the demand for the Company's "Glim" detergent increased steadily in the limited areas in which the Company had established distribution channels. In order to accelerate the national acceptance and distribution of this promising product, the trade mark and retail distribution rights were sold to B. T. Babbitt, Inc. A long term contract was entered into under which the Company will manufacture Babbitt's requirements. This sale eliminated the necessity of establishing, at considerable expense, a national distribution organization. It also provided additional funds which can be applied to the program for new and improved facilities.

A clothes washing detergent for use in automatic machines was introduced and the compounding of this product is being licensed to distributing firms. Distribution of a number of other products introduced in recent years was expanded. These include Orthner compound, which is a rayon spinning aid, a mechanical dish-washing detergent bearing the trade mark "Chat" and the various "Antarox A" detergents, emulsifiers, and dispersing and wetting agents.

AnSCO introduced during the year three new cameras, the Titan f4.5, the Speedex Standard f6.3 and the Flash Clipper. A color densitometer providing direct reading on a uniformly calibrated meter scale, was also announced. A number of improvements were made in products already in the AnSCO line, including new photo finishing paper, X-ray film and photographic chemicals.

During the year the Ozalid Division improved its product line and certain unprofitable items were eliminated. New sales branches were established in Rochester and Syracuse.



BOARD OF DIRECTORS AND MANAGEMENT

Five new directors, Gerald B. Brophy, Horace C. Flanigan, William J. Mahaney, Seton Porter and James A. Purse, Jr. were elected to the Board of Directors during 1948.

During the year Cary R. Wagner was advanced from Vice-President in Charge of Research and Development to Vice-President in Charge of Operations and James Forrestal, previously Assistant Manager of the Ansco Division, was made General Manager of the Ozalid Division.

EMPLOYEE RELATIONS

Employee relations continued to be good. As in the past, all differences with unions were settled amicably. During the year agreements were negotiated with fifteen unions representing about two-thirds of the employees on the pay roll at the end of 1948.

The absentee and turnover rates have continued in 1948 at a relatively low level. The Company maintains a broad program of employee benefits including retirement plan, group life insurance, vacations, sick benefits, severance pay, job training and apprenticeships. A military service policy for employees inducted into the armed services under the new draft law was

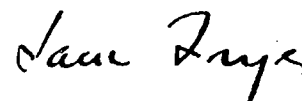
approved, and the disability plan in effect at the Grasselli plant was adjusted to conform with a recently enacted New Jersey state law. These were the principal changes made in the benefits program during the year.

ACKNOWLEDGMENT

The Board of Directors and officers commend the support and earnest effort of the Company's 9,467 employees without whose cooperation the gratifying results of the year's operations could not have been accomplished.

Appreciation is expressed for the continued helpfulness and careful attention to the affairs of the Company on the part of Tom C. Clark, Attorney General of the United States, David L. Bazelon, Assistant Attorney General and Director of the Office of Alien Property and Harold I. Baynton, Deputy Director of the Office of Alien Property.

By order of the Board of Directors,



President and
Chairman of the Board

New York, N. Y.
March 30, 1949



Auditors' Report

ARTHUR ANDERSEN & Co.

67 WALL STREET
NEW YORK 5

To the Board of Directors,

General Aniline & Film Corporation:

We have examined the statement of consolidated financial position of General Aniline & Film Corporation (a Delaware corporation) and subsidiary companies as of December 31, 1948 and the related statements of consolidated earnings and earnings retained in the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We had previously made a similar examination for the year ended December 31, 1947.

In our opinion, the accompanying statement of consolidated financial position and statements of consolidated earnings and earnings retained in the business present fairly the financial position of the companies as of December 31, 1948 and the results of their operations for the year then ended, and were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Arthur Andersen & Co.

New York, N. Y.,
March 1, 1949.



Statements of Consolidated

GENERAL ANILINE & FILM CORPORATION

NET ASSETS EMPLOYED IN THE BUSINESS

	December 31	
	1948	1947
CURRENT ASSETS:		
Cash.....	\$ 8,876,466	\$ 6,819,464
U. S. and Canadian government securities, at lower of cost or market...	15,217,135	7,575,355
Receivables (less reserves: 1948 and 1947 \$175,059).....	6,682,927	8,196,460
Inventories (including \$3,135,249 in 1948 and \$2,107,610 in 1947 on-con- signment with General Dyestuff Corporation), priced at the lower of average cost or market.....	39,980,566	30,816,349
Total current assets.....	70,757,094	53,407,628
LESS—CURRENT LIABILITIES:		
Notes payable to banks.....	1,000,000	500,000
Accounts payable.....	4,089,301	3,068,864
Taxes withheld at source.....	899,339	824,707
Accrued taxes, wages, etc.....	1,368,501	1,339,936
Provision for Federal income tax.....	6,212,228	3,481,150
Reserve for workmen's compensation self-insurance, etc.....	644,516	486,381
Total current liabilities.....	14,213,885	9,701,038
WORKING CAPITAL (Current assets less current liabilities).....	56,543,209	43,706,590
INVESTMENTS, PREPAID EXPENSES, ETC.:		
Marketable securities, at the lower of cost or market.....	176,450	178,029
Investment in foreign subsidiary not consolidated.....	18,138	52,555
Investment in common stock of I. G. Chemie.....	30,945	30,945
Prepaid expenses and deferred charges.....	800,085	1,043,277
	1,025,618	1,304,806
U. S. GOVERNMENT SECURITIES SEGREGATED FOR PLANT ADDITIONS, at lower of cost or market (NOTE 1)	—	10,000,000
FIXED ASSETS, at cost:		
Land and improvements, buildings, machinery, equipment, etc.....	59,688,532	53,338,716
Less—Reserves for depreciation.....	20,898,654	19,596,251
	38,789,878	33,742,465
PATENTS, TRADE-MARKS AND FORMULAS.....	1	1
NET ASSETS EMPLOYED IN THE BUSINESS.....	\$96,358,706	\$88,753,862

Financial Position



ATION AND SUBSIDIARY COMPANIES

SOURCES FROM WHICH NET ASSETS WERE PROVIDED

	December 31	
	1948	1947
BORROWED CAPITAL:		
1 7/8% notes payable, due serially to 1955	\$ 7,500,000	\$ 8,500,000
2.95% note payable, due June 1, 1967 (to be prepaid \$1,000,000 each June 1 from 1956 to 1966 inclusive)	15,500,000	15,500,000
	<u>23,000,000</u>	<u>24,000,000</u>
EQUITY CAPITAL AND EARNINGS RETAINED IN THE BUSINESS (NOTE 2):		
Capital stock—		
Common A stock of no par value, stated at \$25 per share, authorized 3,000,000 shares, issued 529,701 shares (preference on liquidation \$75 per share or \$39,574,680)	13,242,525	13,242,525
Common B stock of \$1 par value, authorized and issued 3,000,000 shares	3,000,000	3,000,000
Capital surplus	12,902,432	12,902,432
Earnings retained in the business (as of December 31, 1948 \$35,306,821 was not available for payment of dividends on capital stock under terms of loan agreement)(NOTE 3)	45,279,621	36,674,702
	<u>74,424,578</u>	<u>65,819,659</u>
Deduct—Stock held in treasury—		
Common A stock 2,038.6 shares in 1948 and 2,037.8 in 1947, at cost ..	115,872	115,797
Common B stock 950,000 shares at par value of \$1 per share (cost \$1,900,000)	950,000	950,000
	<u>1,065,872</u>	<u>1,065,797</u>
Total equity capital and earnings retained in the business	<u>73,358,706</u>	<u>64,753,862</u>
TOTAL—SOURCES FROM WHICH NET ASSETS WERE PROVIDED	<u><u>\$96,358,706</u></u>	<u><u>\$88,753,862</u></u>

NOTES:

- (1) In 1948 the Company expended \$7,663,838 for plant additions. No segregation in 1948 similar to that made in 1947 is deemed necessary.
- (2) The Certificate of Incorporation provides that dividends per share are to be paid on the capital stock only in the ratio of 10 for the Common A stock to 1 for the Common B stock. At December 31, 1948, title to 475,708 of the 527,662.4 outstanding shares of Common A stock and all of the outstanding Common B stock was vested in the Attorney General of the United States.
- (3) For comparative purposes, the 1947 balance includes \$1,000,000 of appropriated earnings transferred in 1948 to unappropriated earnings retained in the business.
- (4) At December 31, 1948, there were certain civil lawsuits and claims pending against the Company, which, in the opinion of the management, are immaterial in relation to the total assets or operations of the companies. In addition, three indictments are still pending against the Company for alleged violation, prior to February 1942, of the antitrust laws.
- (5) Reference is made to comments on the Company's patents contained in previous annual reports.

Statements of Consolidated Earnings

GENERAL ANILINE & FILM CORPORATION AND SUBSIDIARY COMPANIES

	Year Ended December 31	
	1948	1947
NET SALES	\$90,837,864	\$75,009,538
INCOME AND PROFIT ON SECURITIES	205,316	94,631
Total	<u>91,043,180</u>	<u>75,104,169</u>
COSTS AND EXPENSES:		
Cost of products sold	54,184,251	48,850,919
Commissions paid to General Dyestuff Corporation (Note 2)	6,320,879	5,525,973
Other distribution and selling expenses	9,030,128	7,910,170
Research and development expenses	4,696,025	3,713,921
Administrative and general expenses	2,856,077	2,744,081
Interest on borrowed capital	622,094	390,143
Other deductions or (income)—net (including \$722,000 of nonrecurring income in 1948)	(170,193)	222,712
Provision for Federal income tax	4,899,000	2,413,000
Total	<u>82,438,261</u>	<u>71,770,919</u>
Net earnings for the year	<u>\$ 8,604,919</u>	<u>\$ 3,333,250</u>
Per share of Common A stock	<u>\$ 11.74</u>	<u>\$ 4.55</u>

NOTES:

- (1) Provision for depreciation charged to costs and expenses amounted to \$2,443,516 in 1948 and \$2,139,821 in 1947.
- (2) The dyestuffs and textile auxiliaries manufactured by the Company are, with some exceptions, sold exclusively by General Dyestuff Corporation under arrangements described in the annual report for 1942.

Statement of Consolidated Earnings Retained in the Business

Year Ended December 31, 1948

UNAPPROPRIATED

Balance, January 1, 1948	\$35,674,702
Add:	
Net earnings for the year	8,604,919
Appropriated earnings transferred hereto (see below)	1,000,000
Balance, December 31, 1948	<u>\$45,279,621</u>

APPROPRIATED

Balance, January 1, 1948, appropriated for possible future inventory price declines	\$ 1,000,000
Transferred to unappropriated earnings retained in the business, by action of the Board of Directors	1,000,000
Balance, December 31, 1948	<u>\$ —</u>

Results of Operations

GENERAL ANILINE & FILM CORPORATION AND SUBSIDIARY COMPANIES

	For the Year Ended December 31— (000 omitted)					
	1948	1947	1946	1945	1944	1943
NET SALES.....	\$90,838	\$75,009	\$64,190	\$68,659	\$73,311	\$59,233
INCOME AND PROFIT ON SECURITIES.....	205	95	465	575	1,874	1,132
Total.....	<u>91,043</u>	<u>75,104</u>	<u>64,655</u>	<u>69,234</u>	<u>75,185</u>	<u>60,365</u>
COSTS AND EXPENSES:						
Cost of products sold.....	54,184	48,851	41,435	42,220	40,250	34,458
Commissions paid to General Dyestuff Corporation.....	6,321	5,526	5,190	5,480	6,024	4,805
Other selling, general and administrative expenses.....	16,582	14,368	12,685	10,585	10,052	6,380
Interest and amortization on borrowed capital.....	622	390	184	690	866	1,026
Other deductions or (income)—net.....	(170)	223	(58)	(218)	57	61
Provision for Federal income and excess profits taxes.....	4,899	2,413	2,030	6,001	12,123	9,009
Special provision for depreciation of emergency facilities (\$1,036,000) less prior years' tax credits resulting from accelerated amortization.....	—	—	—	575	—	—
Provision for renegotiation and deferred costs related to war period.....	—	—	—	—	1,000	562
Total.....	<u>82,438</u>	<u>71,771</u>	<u>61,466</u>	<u>65,333</u>	<u>70,372</u>	<u>56,301</u>
Net earnings for the year.....	<u>\$ 8,605</u>	<u>\$ 3,333</u>	<u>\$ 3,189</u>	<u>\$ 3,901</u>	<u>\$ 4,813</u>	<u>\$ 4,064</u>
Per share of Common A stock.....	<u>\$ 11.74</u>	<u>\$ 4.55</u>	<u>\$ 4.35</u>	<u>\$ 5.32</u>	<u>\$ 6.57</u>	<u>\$ 5.55</u>
Provision for depreciation charged to costs and expenses.....	\$ 2,444	\$ 2,140	\$ 2,074	\$ 2,049	\$ 1,879	\$ 1,906

NOTES:

- (1) The profit of \$7,536,000 (after Federal income tax) on the sale of the Winthrop Chemical Company investment in 1945 was credited directly to earnings retained in the business. Losses on the investment in common stock of I. G. Chemie have been debited to earnings retained in the business.
- (2) Certain items debited or credited on the books to earnings retained in the business have been restated in the above summary and applied to the appropriate year, with a consequent change in the net earnings as originally shown in the annual reports.



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*CARY R. WAGNER, *Vice President in Charge of Operations, General Aniline & Film Corp.*

**Member of Executive Committee*

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STEPTOE & JOHNSON, Washington, D. C.

RESIDENT COUNSEL

HERBERT L. ABRONS

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CITY BANK FARMERS TRUST COMPANY
22 William Street, New York 15, N. Y.

CORPORATION TRUST COMPANY
15 Exchange Place, Jersey City 2, N. J.

REGISTRARS

BANK OF THE MANHATTAN COMPANY
40 Wall Street, New York 15, N. Y.

COMMERCIAL TRUST COMPANY
OF NEW JERSEY
15 Exchange Place, Jersey City 2, N. J.

ATION AND SUBSIDIARY COMPANIES



Plants and Offices

EXECUTIVE OFFICES

230 PARK AVENUE, NEW YORK 17, NEW YORK

MANUFACTURING PLANTS

GENERAL ANILINE WORKS DIVISION

Grasselli, New Jersey; Rensselaer, New York

ANSCO DIVISION

Binghamton, New York

OZALID DIVISION

Johnson City, New York; Detroit, Michigan; Oakland, California

CENTRAL RESEARCH LABORATORY

EASTON, PENNSYLVANIA

OFFICES OF GENERAL ANILINE WORKS DIVISION

435 HUDSON STREET, NEW YORK 14, NEW YORK

OFFICES OF ANSCO DIVISION

BINGHAMTON, NEW YORK

Boston, Massachusetts; Chicago, Illinois; Cincinnati, Ohio; Hollywood, California; Dallas, Texas; Los Angeles, California; New York, New York; San Francisco, California; Washington, D. C.; Toronto, Canada

OFFICES OF OZALID DIVISION

JOHNSON CITY, NEW YORK

Atlanta, Georgia; Rochester, New York; Syracuse, New York; Buffalo, New York; Chicago, Illinois; Detroit, Michigan; Los Angeles, California; New York, New York; Oakland, California

OFFICES OF ANTARA PRODUCTS DIVISION

444 MADISON AVENUE, NEW YORK 22, NEW YORK

Chicago, Illinois; Oakland, California

General Aniline Works Division



General Aniline Works Division produces nearly 4,000 different dyes, intermediates and auxiliaries.

With plants at Grasselli, N. J., and Rensselaer, N. Y., the division's facilities include 85 buildings spread over 150 acres of land. Personnel totals about 3,500.

The manufacture of synthetic dyestuffs in America was pioneered at Rensselaer more than eighty years ago and the plant has operated continuously since that time. The dyes, intermediates, auxiliaries and specialties which the division produces are all about us in textiles, paper, leather, paints, plastics, inks and other materials which affect our daily lives.

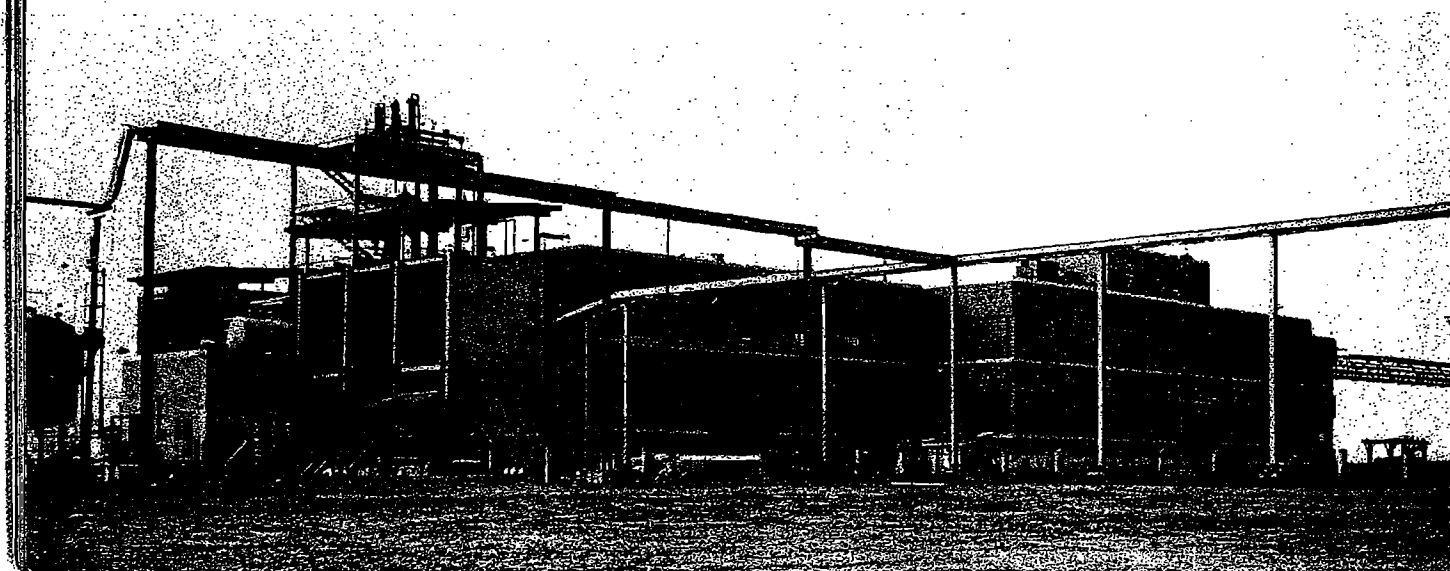
Already the manufacturer of the most complete line of finished dyes in the United States, during 1948 the division added over ninety dyes and intermediates to its line. Among the classes of dyes expanded were the algosols, cellitons, indanthrenes, heliogens, naphthols and azos.



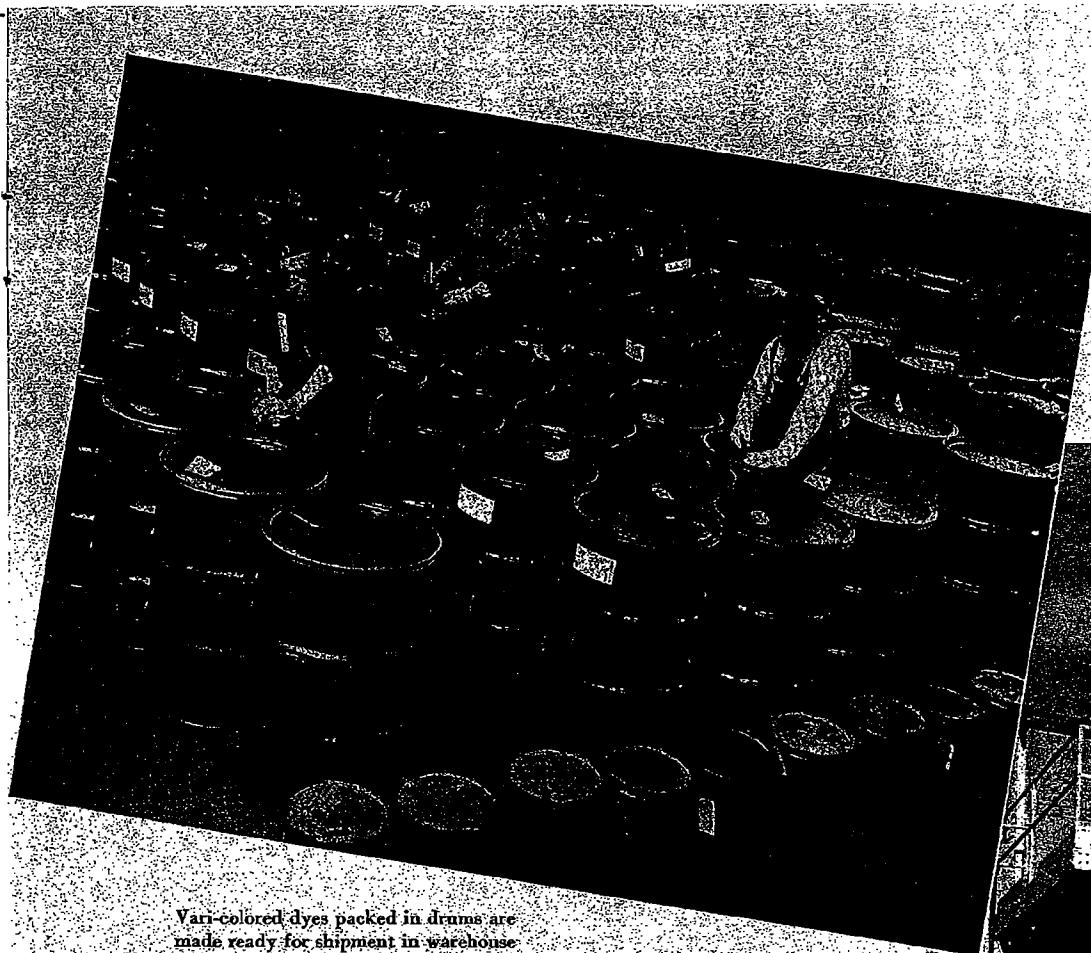
(Left) Dyestuffs and photography seem essentially unrelated, except that chemistry pervades both. Sensitizing dyes and color formers for Ansco black and white and color film products are produced at Grasselli. Sensitizing dye samples of great value are stored in a safe at the Grasselli laboratory.



(Right) Laboratory workers keep a constant check on what is happening in the huge kettles in which various materials are subjected to conditions which bring about chemical reactions to convert them into finished dyestuffs. Here at Grasselli, N. J., a workman has just taken a sample from a kettle, while a laboratory technologist records technical data.



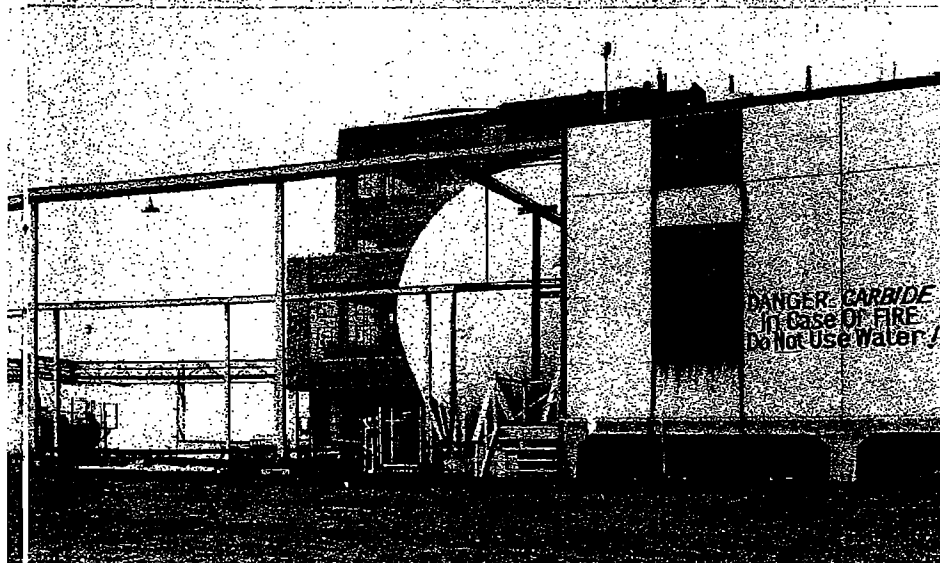
Produces Nearly 4,000 Different Dyestuffs and Intermediates



Vari-colored dyes packed in drums are made ready for shipment in warehouse at Rensselaer plant.

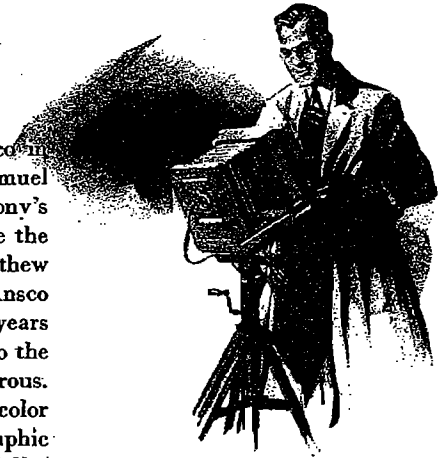


(Left) New pilot plant at Grasselli, finished in 1948, is first plant in the United States for the utilization of acetylene under high pressures and temperatures. Latest safety techniques have made possible reactions of highly versatile acetylene which has long been known to be a potential source of scores of useful chemicals never before produced. Above, storage tanks for acetylene products.

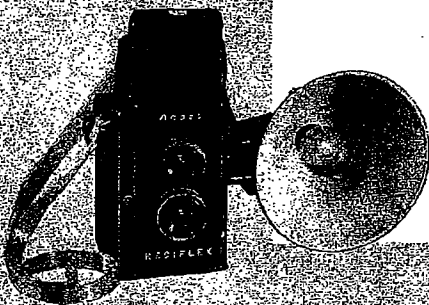
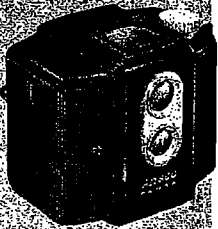
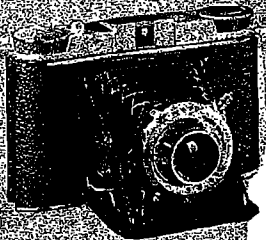


AnSCO DIVISION

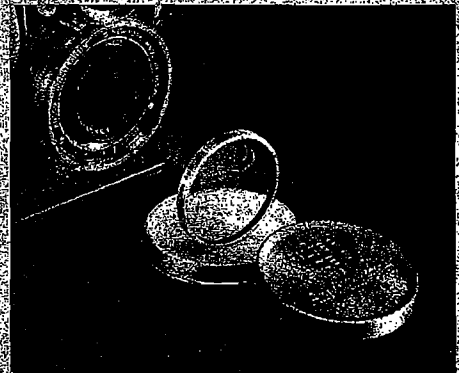
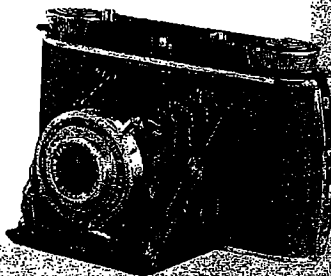
Edward Anthony, a young Columbia University graduate, founded Ansco in 1842. Anthony's interest in photography had led him to become a pupil of Samuel F. B. Morse, inventor of the telegraph who had studied under Daguerre. Anthony's photographic supply shop at 308 Broadway in New York City soon became the headquarters for the forerunners of today's photographic enthusiasts. Matthew Brady, famed Civil War photographer, was a special friend and customer. Ansco and photography have grown up together. Throughout the more than 100 years that have passed since Anthony opened his first shop, Ansco's contributions to the art have been legion and public recognition for its developments have been generous. First to market a really fast black and white film, Ansco was the originator of color film which the user could process. Ansco research promises even better photographic tools in the future, new concepts in camera design and in the chemistry of film manufacture.



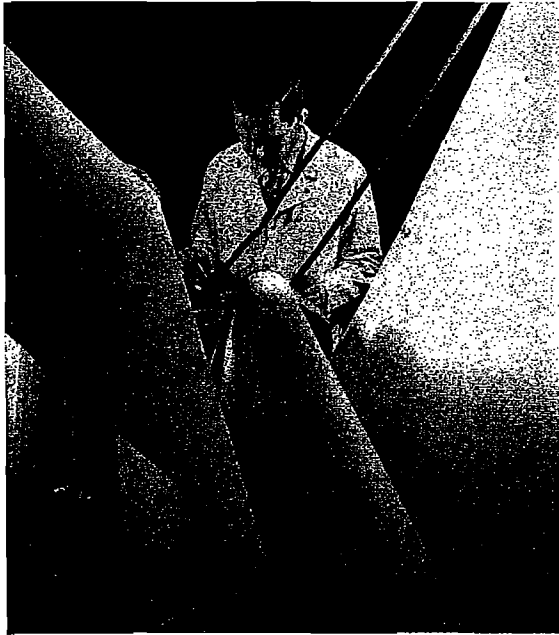
The service of photography, it may be surprising to learn, goes far beyond supplying the needs of the amateur picture-maker. About 50% of Ansco's film output is in the industrial class, medical and dental X-ray, photo-engraving, newspaper and magazine photography and kindred uses that are often forgotten. Ansco portrait cameras are in use by many of the nation's top professionals. Discussion of photography only in terms of roll film and amateur cameras restricts thinking to a vitally important but nonetheless limited segment of the business. All phases of the business will expand as better photographic products are made available at reasonable prices. That is the basis of the American business system and Ansco's long experience and all of its facilities will continue to be applied in that direction.



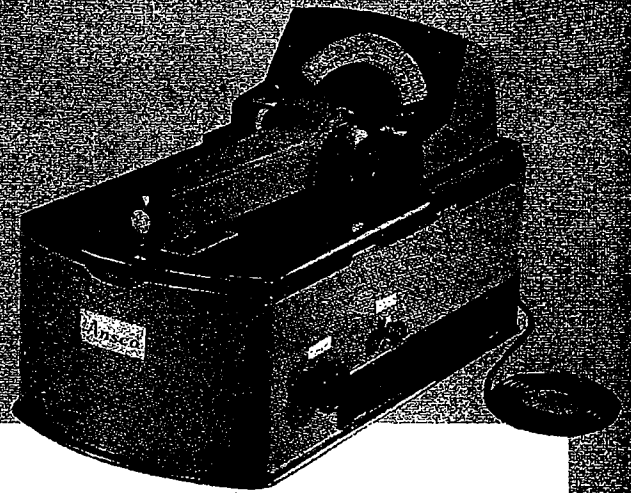
The Ansco amateur camera line presently consists of the following: f3.5 Reflex, f4.5 Titan, f6.3 Speedex, Rediflex, Clipper, Pioneer, Shur-Shot and Panda, ranging in price from \$225 to \$4.25. The Titan, a fine precision folding camera, for advanced amateurs; the Speedex, a medium priced folding camera with built in flash synchronization and the Flash Clipper sold as a unit consisting of Clipper Camera, flash unit and flash bulbs, were added to the line during 1948. Booklets covering details of all Ansco cameras, film, paper, filters, dark room chemicals and supplies are continuously available as are booklets giving instruction in the art of photography.



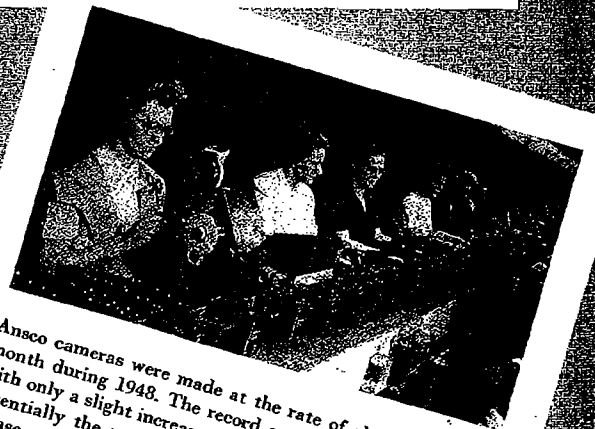
A few lens filters are part of the equipment of the complete photographer. They are often used to compensate for the fact that film doesn't always see the subject as the eyes see it . . . to obtain extra contrast . . . act as color correction media. Supplementing its line of foil filters, Ansco has developed a new series of laminated glass lens filters for use in connection with Ansco color photography.



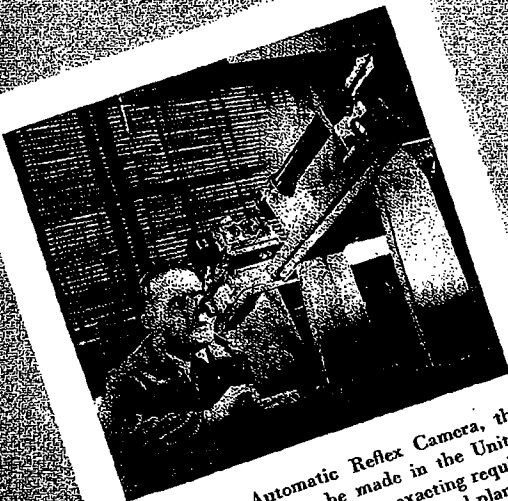
Of all the factors which affect the quality of the final photographic print, the selection of the appropriate contrast grade of paper is one of the most important considerations. Ansco photographic papers are available in a wide variety of types, surfaces, weights and contrast grades for the printing of every type of negative. Papers include Brovira, Cykora, Indiatone, Convira and Cykon. Square feet of finished paper produced at Ansco in 1948 showed an increase of nearly 20% over 1947. Above, paper is rewound in the Paper Coating Department. This operation is normally performed in dim, red light.



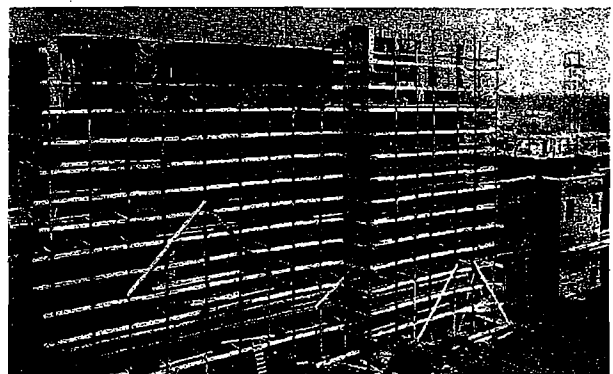
The first commercial electronic color analyser, Ansco's Color Densitometer, developed in the Physics Research Laboratory, provides an invaluable tool in photography and for the measurement and matching of colors in the textile, paint and dye fields. Possibilities in cancer research are indicated through studies which show blood color changes as the disease progresses.



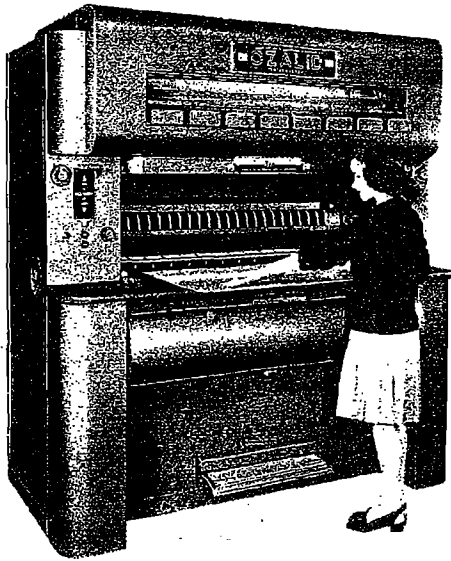
Ansco cameras were made at the rate of about 170,000 a month during 1948. The record output was accomplished with only a slight increase in personnel over 1947 and with essentially the same physical plant. The camera unit increase over the previous year was 125%.



The Ansco Automatic Reflex Camera, the first of its type to be made in the United States, must meet the most exacting requirements. Alignment of lens with focal plane of the camera is checked with this collimating device. More than 25 separate tests are made with each of these cameras before they are approved for sale.



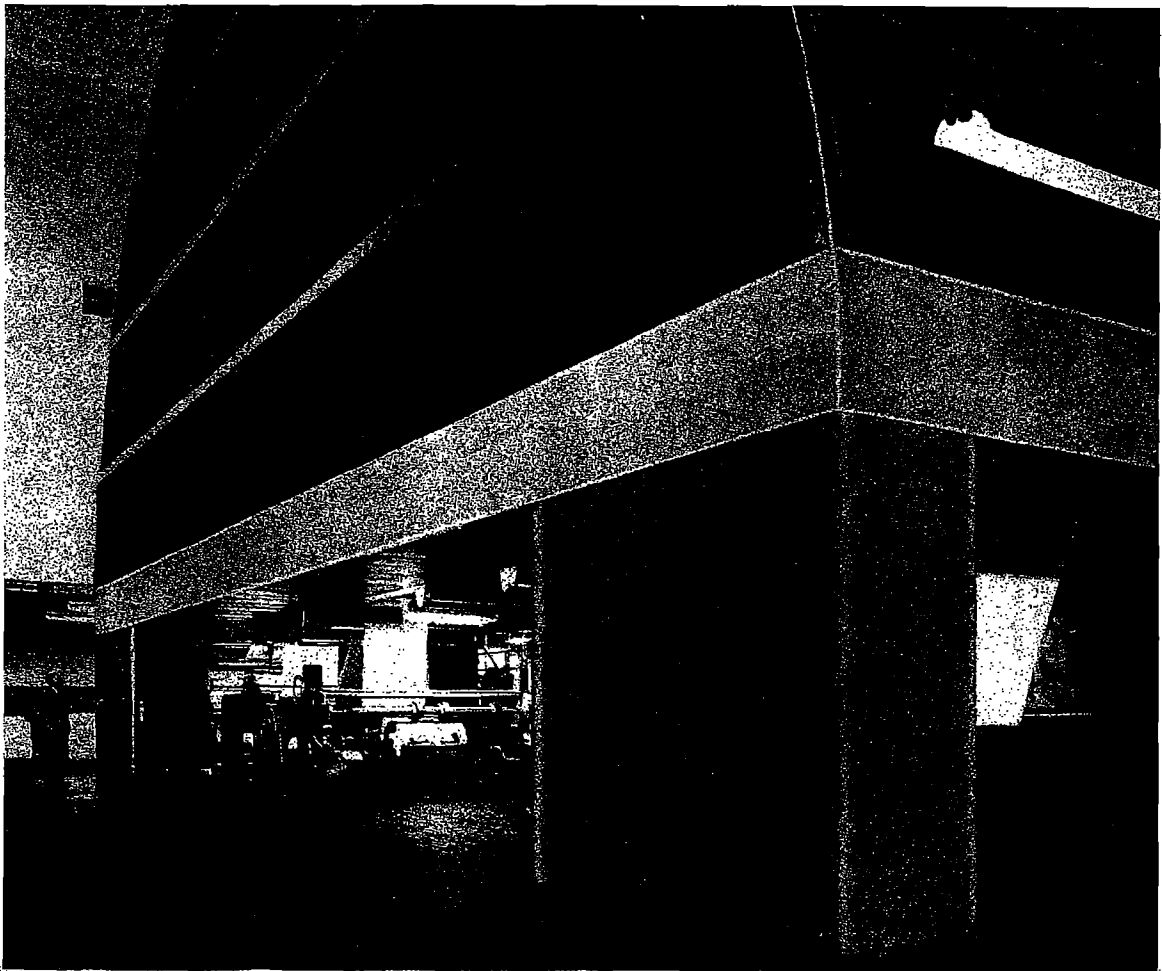
With the completion of this new film plant scheduled for the end of 1949, Ansco's ability to produce more black and white and color film for widening markets will be substantially increased, thus furthering Ansco's position as a dependable source of these products.



Ozalid Division

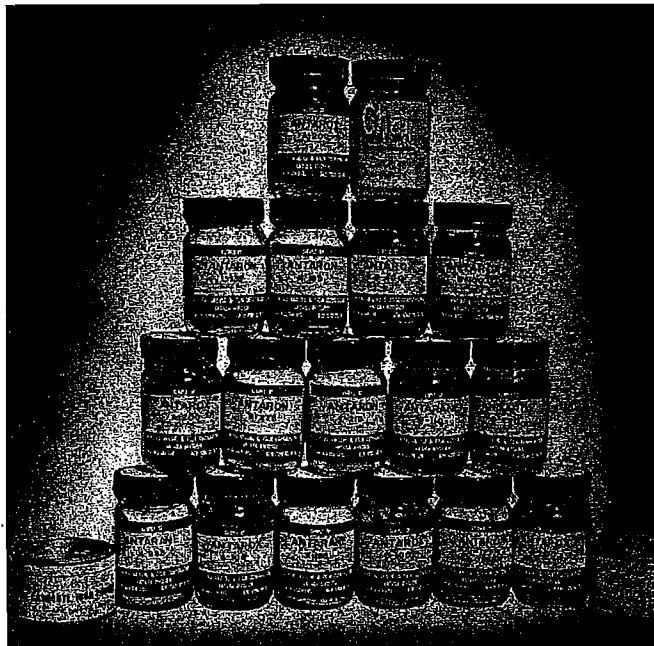
The Ozalid process for making facsimile reproductions of anything drawn, typed or printed on translucent material is based on the light sensitivity of diazo compounds related to the azo dye-stuffs made at Rensselaer. Ozalid machines and sensitized paper and other bases, find wide usefulness in the reproduction of engineering drawings in virtually every type of manufacturing industry and the Ozalid process is gaining in popularity as a modern office tool for copying records and correspondence. Just as color formers for Ansco color film are produced at the Grasselli dyestuff plant, the Rensselaer dye plant is vital to the Ozalid Division.

The coating machine shown below commenced production of Ozalid sensitized paper early in 1948. It is the largest and fastest machine of its kind in the world.

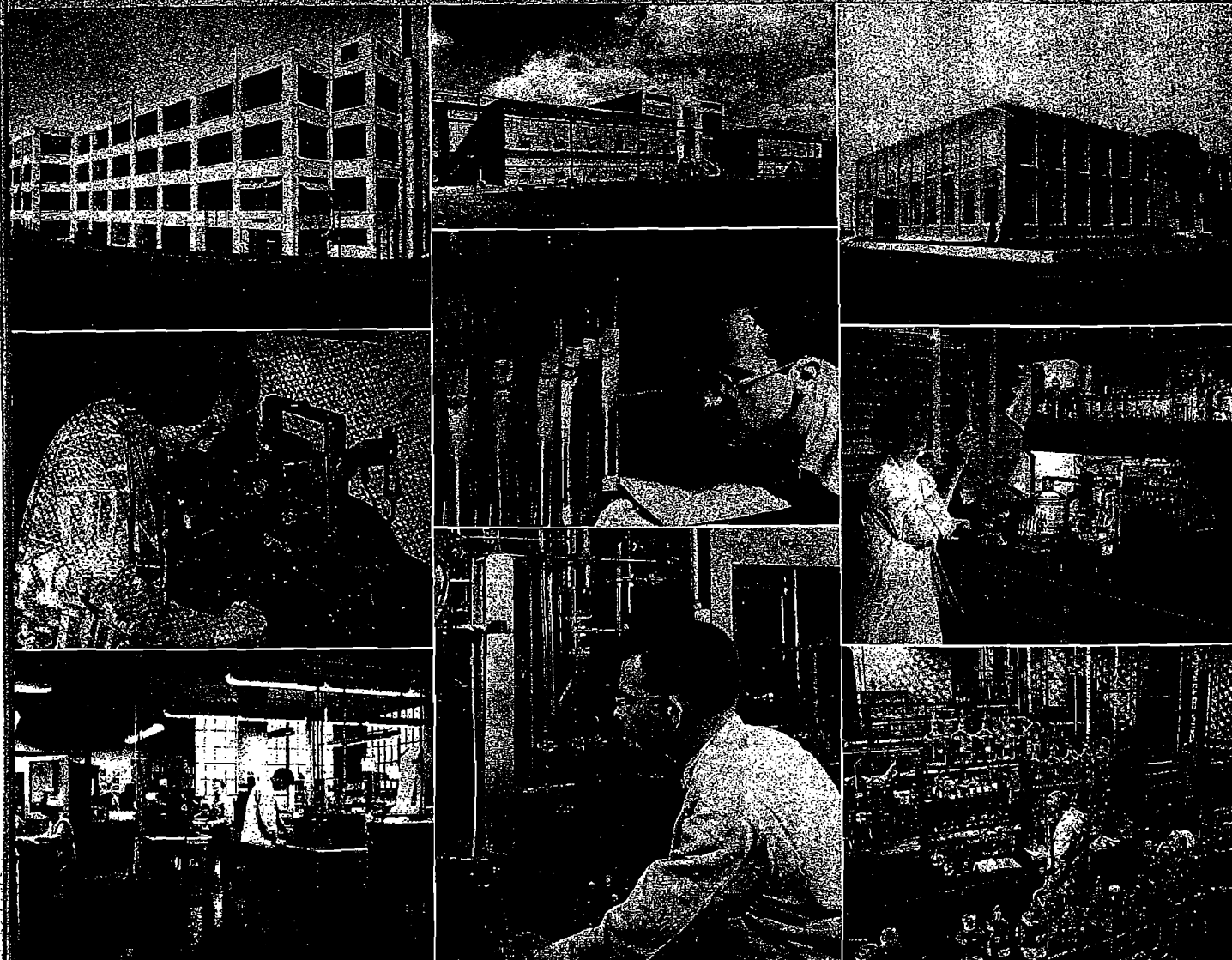


Antara Products Division

The Antara Products Division was established in 1944 as a market development and sales agency to handle those products which do not fall naturally into the sales line of the Ansco, Ozalid or General Aniline Works divisions. As a major producer of dyestuffs, intermediates and photographic supplies and as a sponsor of extensive research in organic chemistry, it is in the nature of things that such products have, and may be expected to continue to become available for sale. For instance, the distribution of the "Glim" liquid dishwashing detergent, was handled by this youngest division of the Company until the summer of 1948 when the "Glim" trade-mark and marketing rights were sold to B. T. Babbitt, Inc. The division, since its formation, has sold Carbonyl Iron Powder to manufacturers of electrical and electronic equipment. The powders, manufactured at the Grasselli, N. J., plant, are made in a number of grades for different purposes. With the sharp increase in the popularity of television, production of certain grades has been insufficient to meet the demand and an expansion of production facilities is under way. The Antara Products division also handles the sale of Orthner Compound, an anti-clogging agent used in the manufacture of rayon; a long list of detergents, emulsifiers, wetting agents and dispersants for industrial applications and several chemicals derived from acetylene. Included in the industrial emulsifiers are some with special biological properties which are employed as insecticides in agriculture as shown below.



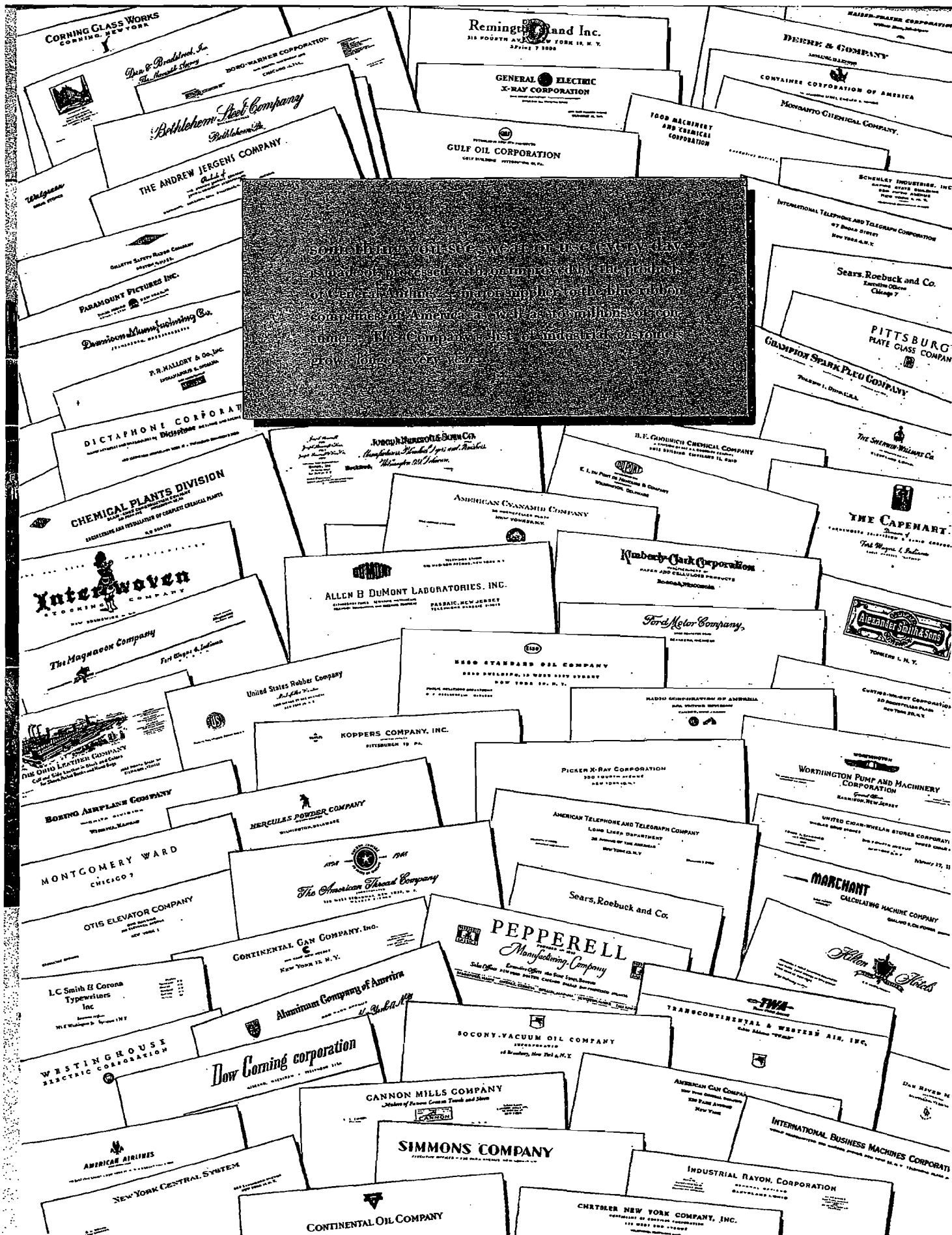
General Aniline Laboratories



The company's future, a factor of importance to hundreds of thousands of people including stockholders, employees, customers and citizens of its plant communities, is in a large measure dependent upon the research policy. Without the development of new products, the improvement of existing processes and the discovery of new uses for its established products, the company, in fact most companies, will find survival difficult. Recognizing this, General Aniline supports extensive research facilities and looks to research as a hedge for the years ahead. Laboratories are maintained

at each plant location in addition to the Central Research Laboratory at Easton, Penna. The staff, including Research, Development and Patent, totals more than 1,000. Continuing effort to attract the best research minds from among the graduating classes of the leading colleges and universities is the business of a special committee recently created.

Buildings housing research at Easton, Penna., Rensselaer, N. Y., and Grasselli, N. J., are pictured above, with typical interiors including scenes at the Anso Laboratory in Binghamton, N. Y.



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To Widen Acquaintance with Company

General Aniline & Film Corporation brings to nearly 19,000,000 families—readers of America's most widely circulated publications a knowledge of its products and policies. Through advertising in such media, as well as in those publications covering particular fields its products serve, a deeper appreciation of its skill and craftsmanship as a manufacturer of highest quality will be gained.

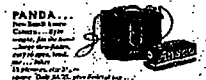
The advertising of dyestuffs and allied products is placed in the textile, paper, leather and other appropriate publications by General Dyestuff Corporation which markets such products. Ansco advertising is carried by Life, Saturday Evening Post, Collier's and other mass media as well as the photographic trade journals and others. The Ozalid division's ads run in Business Week, Newsweek and a number of industrial publications.

A schedule of institutional advertising over the company name was commenced in October, 1948. It is presently carried in Time and Newsweek. Booklets relating to products and services are continually available.



To detect death...
The human body and its organs...
or put here in a lipstick...
The body can be made to look as if it were...
or let babies bite freely!
The baby's teeth can bite through...
...without hurting the mother and baby...
...the baby's teeth can bite through...
...without hurting the mother and baby...

General Aniline & Film Corporation...
...the largest US source of high quality dyestuffs...
...the largest US source of high quality dyestuffs...
...the largest US source of high quality dyestuffs...



GENERAL ANILINE & FILM CORPORATION... 337 Park Avenue, New York 17, N. Y.



OZALID
...how to get the most value...
...how to get the most value...

Ansco
...how to choose film for your camera...
...how to choose film for your camera...

Chit Chat About
...Chit Chat About...
...Chit Chat About...

DEVELOPING AND PRINTING MADE EASY
...DEVELOPING AND PRINTING MADE EASY...
...DEVELOPING AND PRINTING MADE EASY...

Color Incidentally
...Color Incidentally...
...Color Incidentally...

Products...

Naphtols

FAST COLOR SALTS

AND BASES

For color range . . . brilliancy . . . excellent fastness
properties . . . high yield . . . low cost . . . flexibility
of application and economical production
NAPHTOLS are unchallenged in their field.

GENERAL DYESTUFF CORPORATION

435 HUDSON STREET • NEW YORK 14, N. Y.

BOSTON • PROVIDENCE • PHILADELPHIA • CHICAGO • CHARLOTTE • SAN FRANCISCO



Better pictures with any camera

ASK FOR **Anscoc** FILM

**If you copy ANYTHING by
drawn or written, you need O**

It's Simple

Simple...

It's Quick
It's a little as 25
minutes.

Quick. In as little as 25 seconds, you and anyone can remove QuikDip will have a clean, finished, exact duplicate of your original material! QuikDip copies can be used as masters to obtain more copies. No proofreading, no mistakes... no delay!

It's OZALID!

OZALID

You can make Ozalid copies any length, and almost any width. You can make them directly from translucent material, and from opaque originals with an in-line microfilm strip.

Write today on your letterhead for a booklet which tells the full Ozalid story. Shows all the Ozalid products and your classified file.

For further information, call 1-800-368-2222.

Dep't copy.

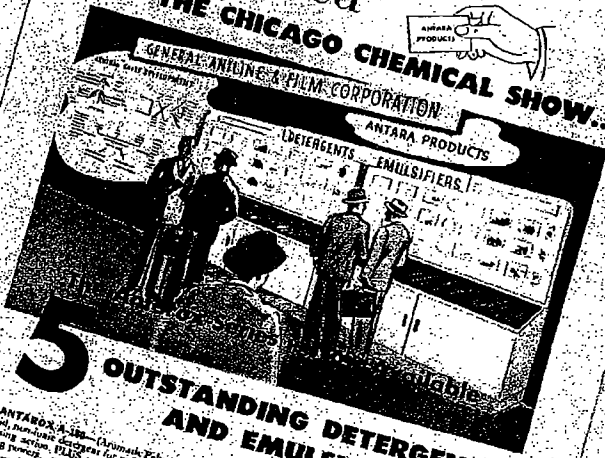
OZALID!
Dept. DDD, Jackson City, N. Y.
A Division of General Electric & the Corporation, "Power Research in Research"

Introduced
AT THE CHICAGO CHEMICAL SHOW...

GENERAL ANILINE & FILM CORPORATION

ANTARA

ANTARA PRODUCTS



5

OUTSTANDING DETERGENTS AND EMULSIFIERS

NTAROX A-100 — (Arumack Polyethoxyl Ether) —
This basic detergent for many fields. Operates
in all series. PLUS emulsifying, wetting and
foaming.

NTAROX A-200 — Liquid
Two Arm N/A

& ANTAROX

- # STANDING DETERGENTS AND EMULSIFIERS
1. **ANTAROX A-15**—(Aliphatic Polyglycol Ether.)
Liquid, non-toxic detergent. May be used in aqueous solution, emulsion, or as a wetting powder.
2. **ANTAROX A-200**—Liquid, non-toxic detergent. May be used in aqueous solution, emulsion, or as a wetting powder. Excellent for emulsifying concentrates.
3. **ANTAROX E-250**—(Aliphatic Polyglycol Ether.)
Liquid, non-toxic emulsifier. Excellent for emulsifying hydrocarbon solvents.
4. **ANTAROX E-250**—(Aliphatic Polyglycol Ether.)
Liquid, non-toxic, water soluble emulsifier. Excellent for emulsifying oils, fatty acids, waxes. Excellent for emulsifying insecticides and herbicide preparations.
5. **ANTAROX D-100**—(Aliphatic Polyglycol Ether.)
Waxy, non-toxic, water soluble emulsifier. Excellent for emulsifying oils, fatty acids, waxes.
- ANTARA PRODUCTS**
A Division of
General Aniline & Phenol Co.
144 Madison Ave.
New York 17, N.Y.
- Write Today for Complete Literature and Samples*

ANTARA PRODUCTS
A Division of
General Aniline & Film Corporation
144 Madison Avenue
New York 17

Send Today for Complete Information

Ampro Products

Please send me samples and complete information on Ampro

Name _____

Company _____

Address _____

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